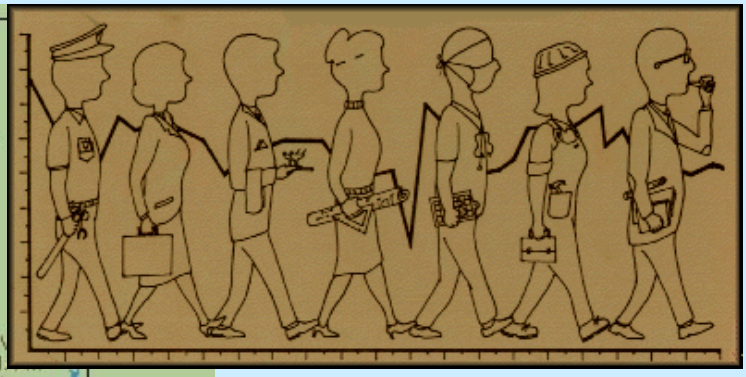
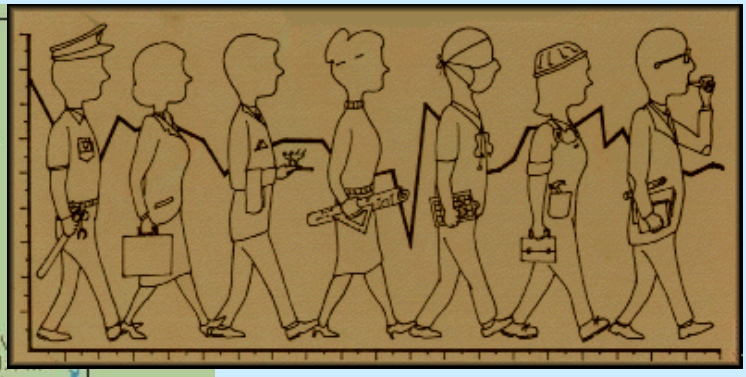
California's Unique Industrial Relations System



Daniel J.B. Mitchell

Is it unique?

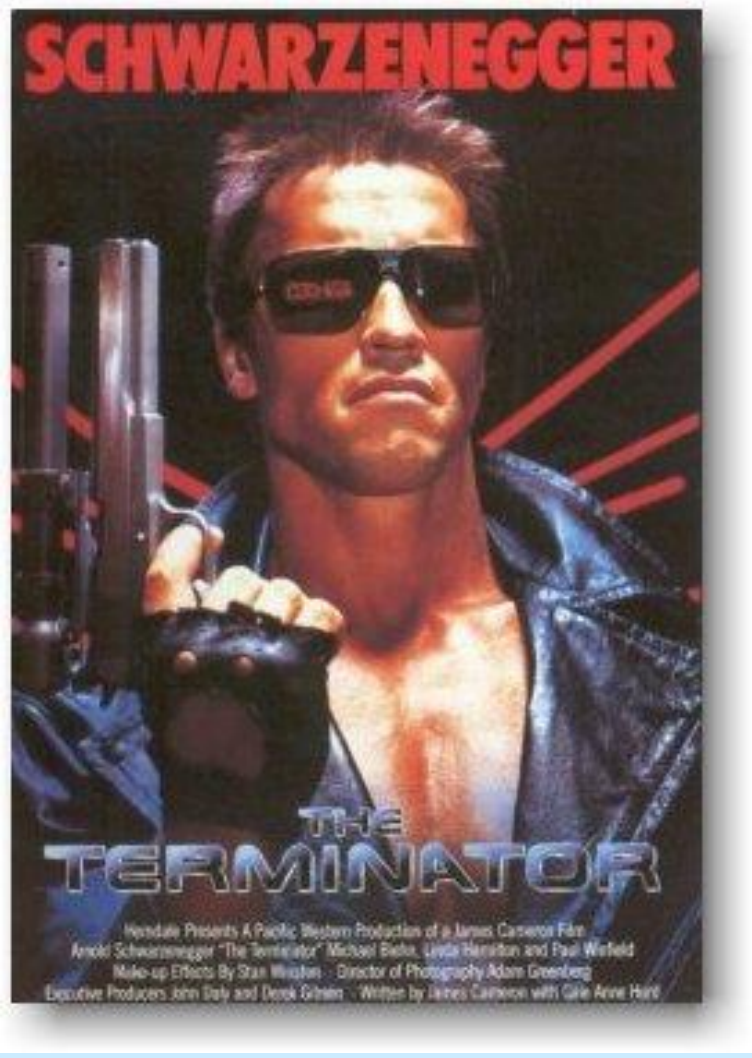
Redwood Nat'l. Pk.
Lava Beds Nat'l. Mon.
Mt. Shasta
Eureka
Lassen Volcanic Nat'l. Pk.
Sacramento
Chico
NEVADA
SACRAMENTO
Lake Tahoe
SIERRA NEVADA
Yosemite Nat'l. Pk.
Berkeley
Oakland
San Francisco
San Jose
Santa Cruz
San Joaquin
Mt. Whitney
Monterey
Fresno
Sequoia Nat'l. Pk.
Bakersfield
MOJAVE DESERT
CALIFORNIA
ARIZONA
San Luis Obispo
Santa Barbara
San Bernardino
Los Angeles
Long Beach
Palm Springs
Joshua Tree Nat'l. Pk.
Salton Sea
Colorado
San Diego
North Pacific Ocean



Welcome to California
HOLLYWOOD

Is it unique?

Is it unique?

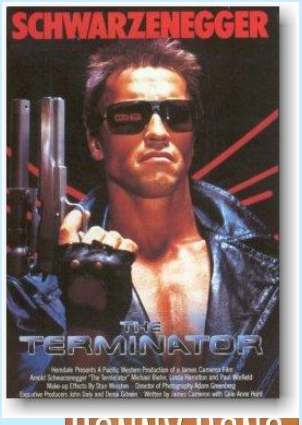

SCHWARZENEGGER
THE TERMINATOR

Welcome to California
HOLLYWOOD

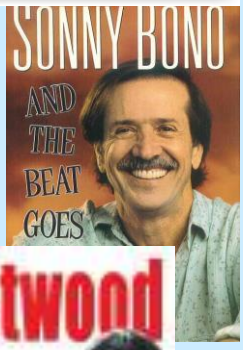
Is it unique?

GOVERNOR OF THE STATE OF CALIFORNIA
SEAL OF THE
XXXVIII

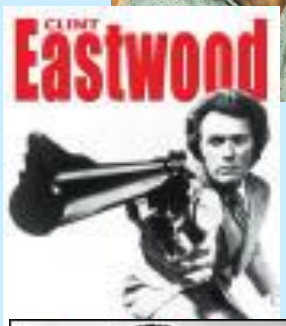
Welcome to California
HOLLYWOOD



- **Governor, Calif.**



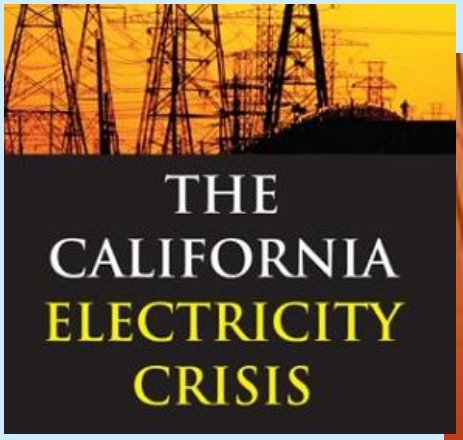
- **Mayor, Palm Springs**



- **Mayor, Carmel**

- **Governor, Calif.**

Is it unique?



- **California**

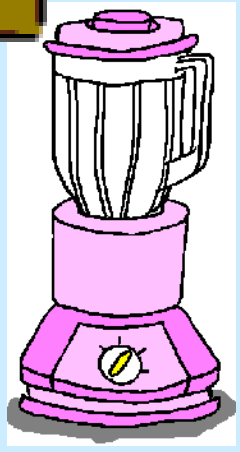
- **East Coast**

- **Italy**

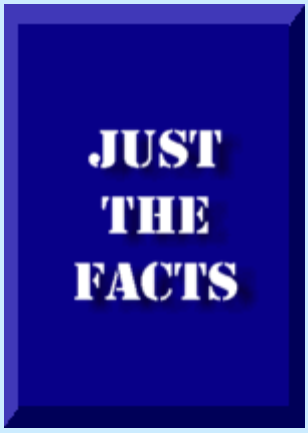
Is it unique?

- **Facts about the union sector**

- **Political institutions**



- **Industry mix**
- **Demographics**



Stylized Facts

- **Unionization rate and trend**
- **Regional breakdown**
- **Importance of public sector**
  - **Half of union workers under state law**
  - **Manufacturing only 7%**
  - **Major unions tend to be those in public sector or public/private, e.g., SEIU**

SEIU

- **Justice for Janitors**

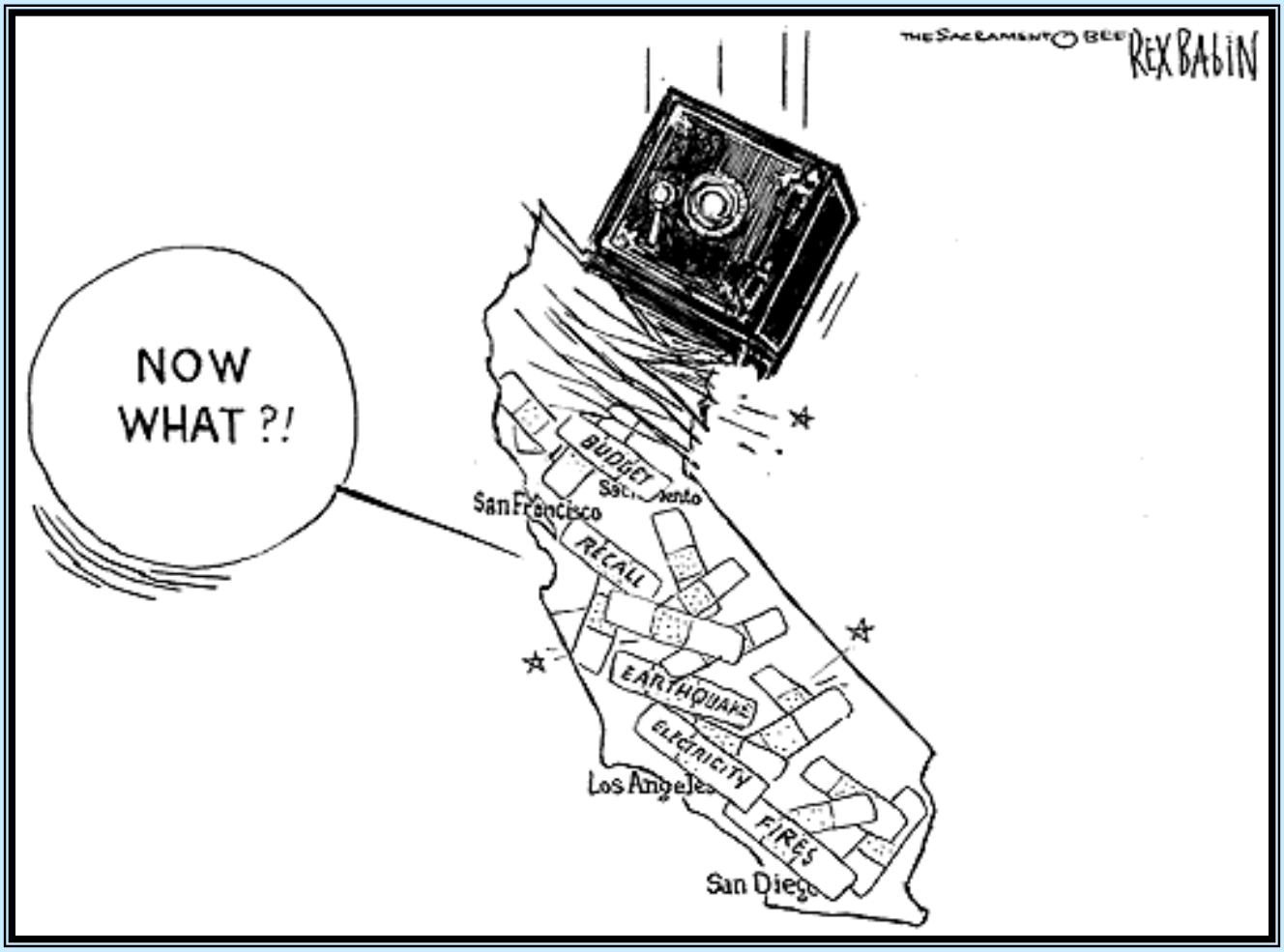
- **Health care aides**
- **Public sector**

- **Nurses**

Political Institutions

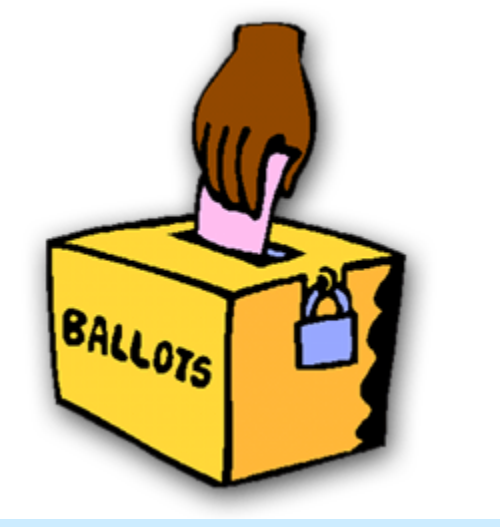
- Public Sector statutes
- Right to strike in public sector
- Some regulation of private sector despite federal pre-emption
- Labor standards
- Direct democracy
  - Paycheck protection (Prop 226)
  - Prop 13
  - Prop 98
- State budget

Political Institutions



Direct Democracy
In the initiative pipeline

- **55% vote on budgets/taxes**
- **2/3 vote on fees**
- **Repeal domestic partner law**
- **Repeal drivers' licenses for illegals law**
- **Repeal health insurance mandate law**
- **Require preferential voting**
- **Limit class sizes**
- **Minimum size for pig pens**



Hiram Johnson

Where Have All The Flowers Gone?

Calypso tempo

P. Seger

C a F G

Where have all the flowers gone, long time pas - sing?

C G

Where go? _

C G

Where every-one.

F

When ? _____

Welcome to California HOLLYWOOD

Where Have All the Dollars Gone?

Where Have All the Dollars Gone?

Where Have All the Dollars Gone?

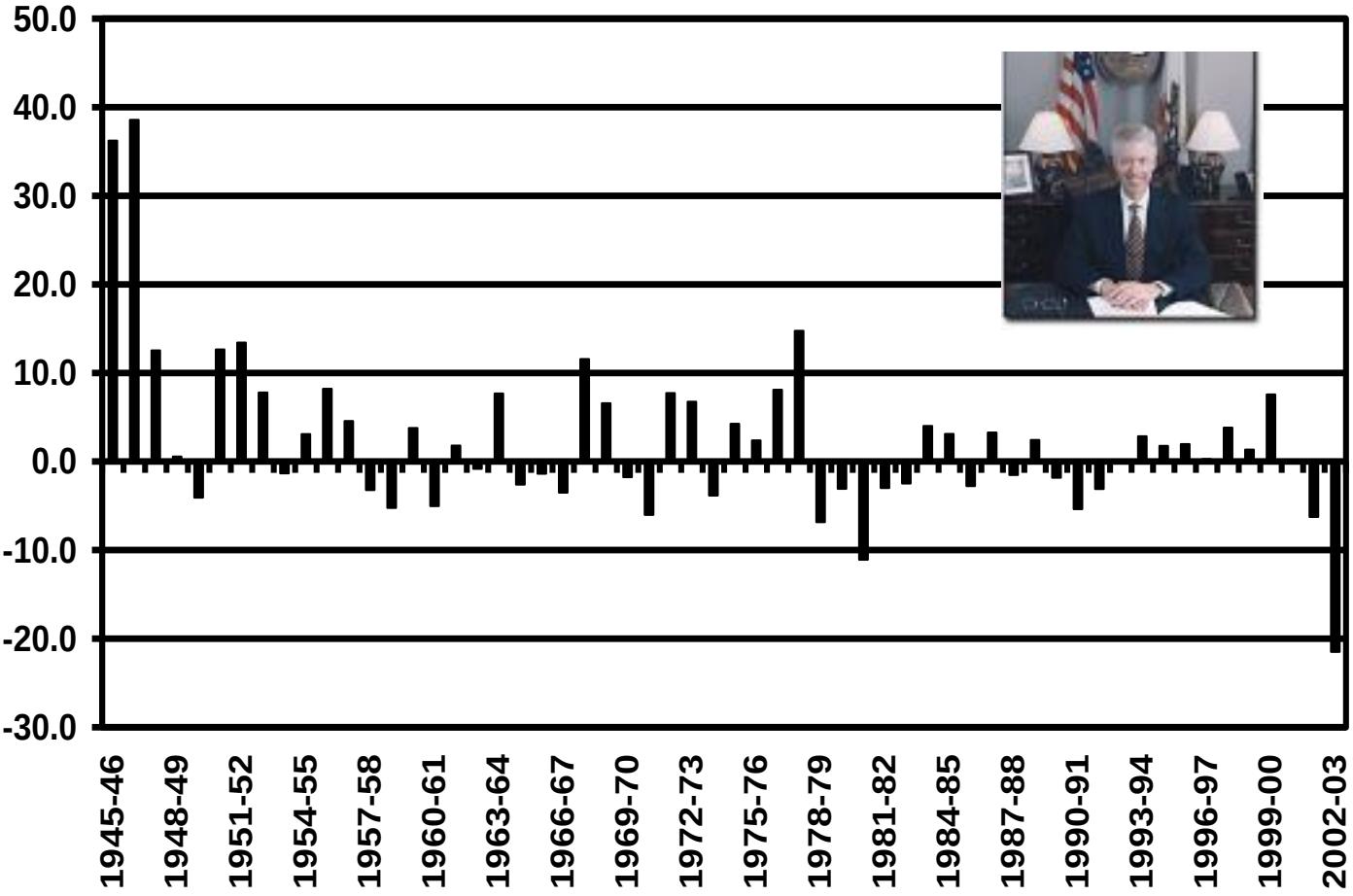
Where Have All the Dollars Gone?

Where Have All the Dollars Gone?

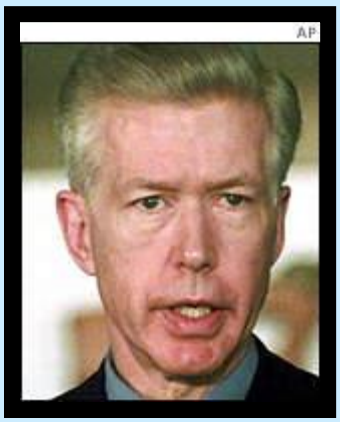
Where Have All the Dollars Gone?

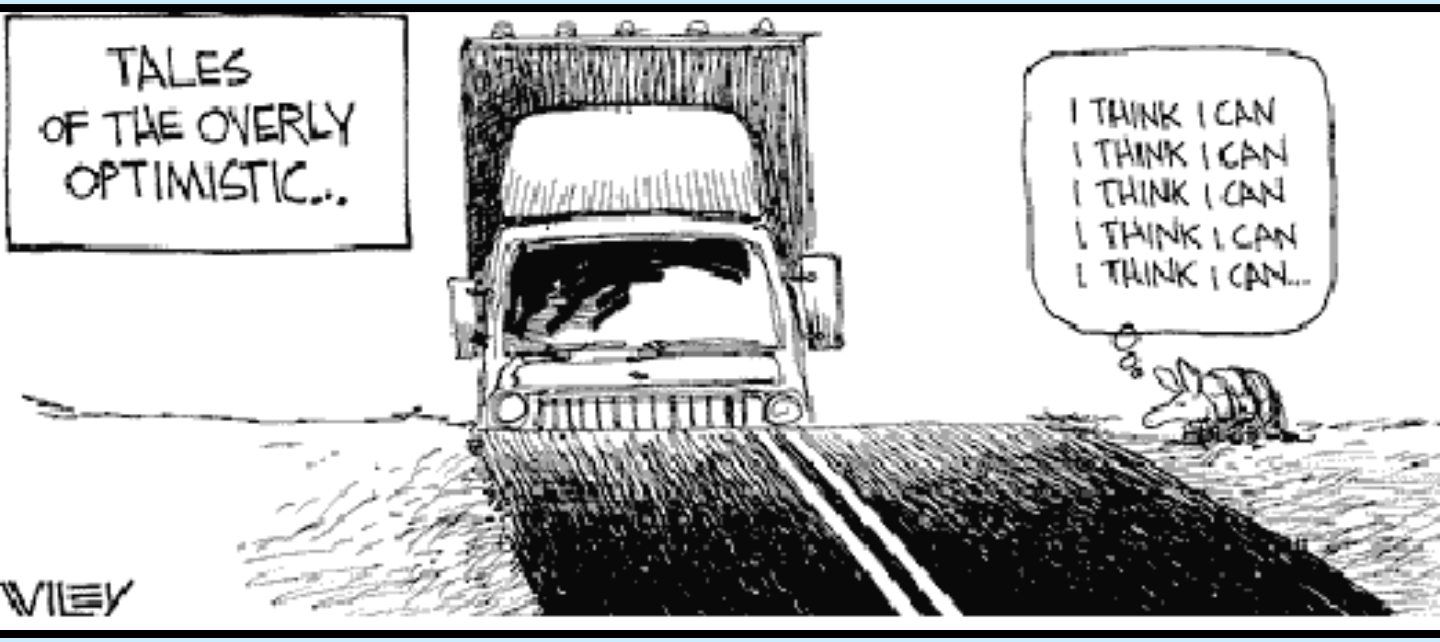
General Fund Surplus or Deficit as Percent of Revenues & Transfers

CPObudget2004.xls
Surplus%



What happened?




TALES OF THE OVERLY OPTIMISTIC..
I THINK I CAN
I THINK I CAN
I THINK I CAN
I THINK I CAN
I THINK I CAN...
VILEY

Groping for a Solution

Selected California Private Industries:

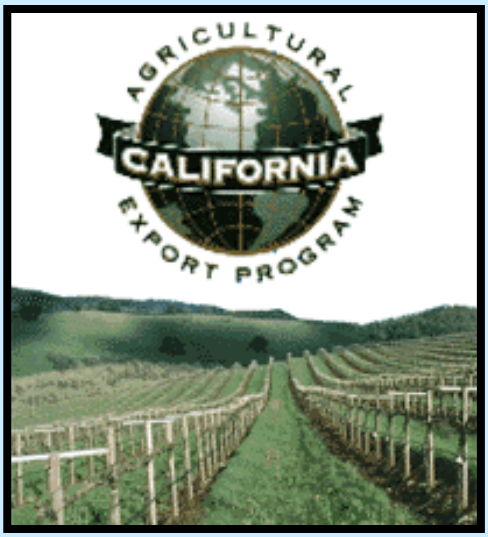
Technology and Globalization

- **Entertainment**
  - **Job security/outsourcing**
  - **Intellectual property**
  - **Internal union politics**
- **Longshore**
  - **Job security/technology**

Industries with Declining or Limited Opportunities

- **Aerospace**

- **Agriculture**



Immigrants

- **Mixed public opinion**
  - **Prop 187**
  - **Minimum wage**
  - **Living wage**
  - **JfJ**

- **Health insurance (SB 2)**
  - **Issue since the 1940s and before**
  - **Resurfaced in 1990s**
  - **Recall effect**

Future Issues

Future Issues

- **Budget pressures on public sector employment/unions**
- **Workers comp and UI**
- **New governor and other labor-related legislation such as health insurance**
- **Private sector union erosion but with special issues related to California industries**
- **Demographics**

California's Unique Industrial Relations System

Daniel J.B. Mitchell